

# **Facilitating Widespread Deployment of and Access to Wireless Services**

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CTIA – The Wireless Association™

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# Wireless Service in Rural Areas

- Over 98% of Americans can now choose from between 3 to 8 wireless providers.
- Consumers in all U.S. counties or local government equivalents have access to wireless service, except for one borough in Alaska.
- The wireless industry has the best track record in telecom of bringing advanced services to rural areas, at the same price points as in urban areas.

# Definition of “Rural Area”

- One definition of “rural” should not be universally applied.
- A flexible definition could include areas that either:
  - Fall within a Rural Service Area (“RSA”); or
  - Are in counties with a population density of 100 persons or fewer per square mile.

# Performance Requirements: “Substantial Service”

- All wireless service providers licensed on a geographic area basis should be allowed to demonstrate “substantial service.”
  - Provides carriers in rural areas a greater incentive and ability to raise necessary capital to construct facilities and provide services that meet the needs of the rural area.
  - The FCC should adopt “safe harbors” as a tool to demonstrate compliance with the substantial service option.
- The FCC should clarify both the existing construction benchmarks and the proposed substantial service option to expressly indicate that leased spectrum will count towards satisfaction of either performance requirement.

# Performance Requirements

- The FCC should not impose additional construction requirements on subsequent license renewal terms.
  - Additional construction or “build-out” requirements will not assist in the development of wireless services in rural areas.
  - Uneconomic requirements could limit ability of carriers to raise capital.
  - The Commission should not impose requirements that require operators to make construction decisions that are not economically viable or sustainable.
- The FCC should ensure carriers in rural areas receive adequate USF support to enable them to provide high quality, competitive offerings to consumers in those areas.

# Improving Access to Unused Spectrum: Audits and White Space

- No current need for a spectrum audit.
  - A shortage of available spectrum has not been shown to be a significant obstacle to the deployment of wireless service to rural areas.
- A Government-run database of available rural “white space” is not necessary at this time.
  - The private sector is already deploying service in areas where demand exists.

# Improving Access to Unused Spectrum

- The FCC should not create “easements” or “underlays” for new licensed CMRS spectrum.
- Instead, the Commission should focus on fostering the development of secondary markets.
- Disaggregation and partitioning have also proven to be effective means of ensuring spectrum is made available to interested carriers in rural areas.

# Improving Access to Unused Spectrum: The “PCS Model”

- The Commission should adopt the PCS “complete forfeiture” standard in future spectrum service rules.
  - Licensees that fail to meet construction benchmarks or substantial service standards (including leased spectrum) would completely forfeit their licensed spectrum.
- Enables carriers to attract capital and deploy their services in a cost-effective manner.
- Ensures valuable spectrum does not lay fallow.



# Additional Regulatory Changes

- Increasing power levels is appropriate to explore as a means of improving coverage in rural areas, *provided* there are adequate safeguards against interference.
- Balanced approach to geographic service areas:
  - Mix larger geographic service areas with smaller geographic service areas in new spectrum blocks.
  - Provides benefits for both national carriers and small providers operating in rural areas.
  - Create flexibility for carriers to aggregate spectrum efficiently during the auction process through the use of “package bidding” if market opportunities arise, after appropriate software testing.

# Facilitating Access to Capital

- The FCC should completely eliminate the cellular cross-interest role in RSAs.
  - The cross-interest rule is impeding investment in and development of new wireless technologies in rural areas.
- The FCC should work with the Rural Utility Service (“RUS”) to ensure that the RUS rules are technologically neutral.
  - The FCC should ensure the broadband loan rules are technology-neutral.
  - Commission should urge the RUS to eliminate the two-year “no competition” provision.
  - The FCC should also work with the RUS to streamline the application process.

# Removing Impediments to Infrastructure Sharing

- Infrastructure sharing can improve both wireless development and competition by reducing the costs of capital construction in rural areas.
- The FCC should take action to remove state and local roadblocks to further wireless deployment to facilitate wireless growth in rural areas.
- The FCC should use its authority under Sections 332(c) and 253 to preempt state and local regulations that block development of wireless services in rural areas or voluntary carrier efforts to deploy new services through infrastructure sharing.

# Reallocating RRS and BETRS Spectrum

- Should data show that the Rural Radiotelephone Service (RRS) and Basic Exchange Telecommunications Radio Service (BETRS) spectrum is not being efficiently utilized, the Commission should reallocate the current RRS and BETRS spectrum to more efficient and commercially viable uses.

# Conclusion

- CMRS has proven to be an effective model for deploying telecom to rural areas.
- Market forces have delivered excellent service and pricing benefits to rural customers.
- Access to capital is a greater constraint to further wireless deployment than access to spectrum.